North Carolina Department of Environment and Natural Resources
Division of Air Quality

Michael F. Easley, Governor

William G. Ross, Jr., Secretary
B. Keith Overcash, P.E., Director

July 15, 2004

Air Docket
U.S. Environmental Protection Agency
Mail Code B102
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Docket #OAR 2002-0076

To Whom It May Concern:

On behalf of the North Carolina Division of Air Quality (NCDAQ), I would like to offer the following comments on the U.S. Environmental Protection Agency's (EPA's) Proposed Rule on Regional Haze Regulations and Guidelines for Best Available Retrofit Technology (BART) Determinations, published in the Federal Register on May 5, 2004.

Finalization of BART Guidelines

NCDAQ is in the process of identifying BART eligible sources and BART level control technologies in order to adequately prepare a state implementation plan (SIP) that meets all of the requirements of the regional haze regulations. This work is being done without a final rule on the BART process. In order for North Carolina to complete and submit a regional haze SIP by January 2008, the draft plan to be taken to public hearing must be completed by January 2006. If the final BART guidelines are not finalized until April 15, 2005, North Carolina's ability to complete the technical work to support the SIP is greatly compromised. NCDAQ urges EPA to finalize the BART guidelines as soon as possible to allow states like North Carolina with an extended regulatory timeframe to complete the technical analysis and SIP development process in time to meet the SIP submittal deadline. Additional delay will only further complicate state work efforts as assumptions will have to be made in order to move forward toward SIP completion absent final decisions on the BART guidelines.

Changes to the Regional Haze Rule

NCDAQ supports the following proposed changes to 40 CFR 51, Sections 308 and 309:

- Elimination of the requirement for a committal SIP
- Revised due dates for submitting SIPs and SIP revisions under Sections 308 and 309, respectively.

Changes to Source Category Definitions

NCDAQ supports the proposed changes to the source category definitions.

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Start Up Date Definitions
NCDAQ supports retaining the same definitions of "in existence" and "in operation" as were included in the 2001 proposal.

Pollutants Subject to BART
EPA requested comment on the exclusion of ammonia (NH3) from the list of visibility-impairing pollutants to be addressed. It appears that most ammonia sources also emit significant quantities of other BART pollutants that would make them BART eligible. In addition, relative to area sources of ammonia emissions, the BART eligible point source emissions are less significant. NCDAQ believes that more work is needed in order to determine whether NH3 emission reductions are cost effective in improving visibility at Class I areas. Much more technical work is needed to determine the role of NH3 control strategies in the overall regional haze plan. NCDAQ believes that it is appropriate to exempt NH3 from BART analyses. However, a state would still be able to control a stationary source of NH3 as part of the reasonable progress requirement, if a technical analysis indicated such controls were needed to achieve reasonable progress goals.

EPA has proposed that VOCs remain on the list of visibility-impairing pollutants to be addressed and requested comment on the level of discretion states should exercise in making BART determinations. Specifically, EPA requested comment on whether states should focus greater control requirements on VOC emissions from BART sources in urban areas and the circumstances under which in rural areas, states may determine BART would be no control for VOC. Differentiation between urban and rural areas for VOC control purposes assumes there is more known about the chemistry than the current science supports. NCDAQ does agree that VOCs should remain on the list of visibility-impairing pollutants. Further, NCDAQ believes that rural and urban VOC sources should be treated similarly in the BART process.

De Minimis Levels
EPA proposed to provide states flexibility to identify de minimis levels of pollutants at BART-eligible sources including a provision that any de minimis values that states adopt should not be higher than the PSD levels. NCDAQ agrees that any de minimis values for exempting a pollutant from consideration should not be higher than the PSD levels. Clarification on whether actual or potential emissions should be compared to the de minimis levels should be included in the final rule. This approach is appropriate to use, especially in light of the overall resource demands BART determinations will have on states.

Source Exemption Process
EPA proposes three options for determining which BART eligible sources are likely to contribute to visibility impairment:

1. States consider that all BART-eligible sources in the state are subject to BART
2. States can demonstrate using a cumulative approach that none of its BART-eligible sources contribute to visibility impairment
3. States may use an individual source exemption process.

NCDAQ believes that only options 1 and 3 are relevant and applicable to most states in the Eastern United States. NCDAQ further believes that option 2 should remain in the rule as an option for states to use in the BART process. To provide more flexibility, EPA may want to expand this option to allow states to analyze smaller groups of sources (less than the full universe of BART eligible sources) together to understand their cumulative impact. If the cumulative impact is below the threshold, then the conclusion would be that none of the individual sources contribute to visibility impairment. NCDAQ recommends regional models such as CMAQ or CAMx for such an analysis of multiple source impacts.

Exemption approaches
EPA proposed several alternative approaches that may be used in lieu of or as first step in the process by which states may determine which sources, if any, to exempt. NCDAQ supports providing screening methods or tools as alternatives to performing full scale CALPUFF modeling as a first step in individual source exemptions. Each of the methods has advantages and disadvantages for certain situations. For example, a disadvantage of CALPUFF screening assessment is that it ignores terrain and thus may not be appropriate for mountainous regions. The utility of look-up tables may vary from state to state depending upon when the tables are published and where states are in their SIP development and rulemaking process.

NCDAQ would prefer to use the emissions divided by distance approach. An advantage of this method is that it doesn't require emissions data from all sources in other areas to determine whether a source is exempt. It is also far less resource intensive than the CALPUFF modeling options. Based upon recent comparison work completed by MANE-VU, it appears that the emissions over distance method produces results that correlate well with results produced using the CALPUFF modeling approach.

NCDAQ is disappointed that EPA did not follow through on its commitment to produce look-up tables to use as a screening tool. Ideally such tables would have been included in the re-proposal. This work is most effectively done at the national level, as both a means for consistency and the best use of resources. NCDAQ encourages EPA to complete look-up tables, although given the delay, their existence may be a moot point for some states like North Carolina. If EPA could produce look-up tables and make them available, they might still serve to benefit some states that have less lengthy rulemaking processes. In the proposed rule EPA uses the term "allowable emissions" in reference to CALPUFF and the emissions over distance approach. Our understanding is that potential emissions are to be used. EPA needs to clarify its intent in the final rule.

Finally, NCDAQ believes that each of the four alternatives have merit, and the final rule should allow the flexibility of applying any of the alternatives. By providing such flexibility in the final rule, any work done by states in advance of the final rule will be able to meet the final BART guidelines. If instead, options are removed in the final rule, such an action could negate work already done by the states between now and when the final rule is published. This would result in a state possibly missing the SIP deadline.

NCDAQ recognizes that there are technical issues with CALPUFF and urges EPA to allow alternatives to CALPUFF in the BART determination process. The rules need to be clear in all locations that CALPUFF is recommended, but not required.

Threshold value

NCDAQ requests that EPA review the data available in the scientific community and reaffirm that 0.5 deciviews is the appropriate threshold value and is technically supportable.

Relationship between CAIR and BART

As indicated in NCDAQ's comments on the IAQR/CAIR proposal, we are concerned with the assumption that CAIR control requirements for EGUs are equivalent to BART. As we stated in our March 30, 2004 comments,

In the IAQR preamble, EPA asks for comments on whether BART for EGUs can be met if a State imposes the full amount of SO2 and NOx emission reductions on EGUs. NCDAQ believes that this approach may be sufficient to meet BART if the State elects to meet the statewide cap, and not participate in the inter-state cap and trade program. Otherwise, if trading is allowed, how can a State be sure that the impacts on the Class I area by any source are addressed? A source close to and significantly impacting a Class I area could elect to buy allowances from another source hundreds of miles away that has no impact whatsoever. The Class I area impacts therefore would not be addressed.

Assumption on Controls for SO2 and NOx for EGUs

EPA requested comment on the proposed levels of control of SO2 and NOx for EGUs. NCDAQ believes the proposed SO2 limits of 0.1-0.15 lb/MMBTU represent a reasonable range. NCDAQ believes the proposed NOx limit of 0.2 is a reasonable level of control.

Thank you for the opportunity to comment. Should you have any questions on the comments, please contact Sheila Holman of my staff at (919) 715-0971. I trust that these comments will be considered in the development of the final guideline and rule.

Sincerely,

B. Keith Overcash, P. E.

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